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Consolidated Financial Results for the Three Months Ended June 30, 2025 (Prepared pursuant to Japanese GAAP)

August 8, 2025

Company name: MEGMILK SNOW BRAND Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange (Prime Market), Sapporo Securities Exchange
 Stock code: 2270
 URL: <https://www.meg-snow.com/english>
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Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated Results for the First Three Months of the Fiscal Year Ending March 31, 2026 (April 1, 2025 – June 30, 2025)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Three months ended June 30, 2025	152,395	(0.0)	3,476	(39.7)	4,300	(32.4)	8,976	70.2
Three months ended June 30, 2024	152,438	1.5	5,768	9.7	6,359	8.0	5,272	46.9

Note: Comprehensive income: Three months ended June 30, 2025 : 4,299 million yen [-51.1%]
 Three months ended June 30, 2024 : 8,788 million yen [-11.7%]

	Profit per share – basic	Profit per share – diluted
	yen	yen
Three months ended June 30, 2025	137.32	—
Three months ended June 30, 2024	78.06	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net asset per share
	millions of yen	millions of yen	%	yen
June 30, 2025	418,960	233,150	54.8	3,644.05
March 31, 2025	431,073	248,037	56.8	3,626.93

For reference: Equity: June 30, 2025 : 229,787 million yen
 March 31, 2025 : 244,680 million yen

2. Dividends

Record date or period	Cash dividends per share				
	End-Q1	End-Q2	End-Q3	Year-end	Total
Year ended March 31, 2025	yen —	yen —	yen —	yen 100.00	yen 100.00
Year ending March 31, 2026	—				
Year ending March 31, 2026 (forecast)		—	—	100.00	100.00

Note: Revisions from the latest release of dividend forecasts: None

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Second quarter-end (Cumulative)	321,000	3.0	9,500	(19.6)	10,200	(20.0)	13,000	42.3	200.87
Full year	640,000	3.9	19,000	(0.7)	20,600	1.7	30,000	115.8	471.31

Note: Revisions from the latest release of earnings forecasts: None

Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Accounting methods specific to quarterly consolidated financial statements: None
- (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement
 - 1) Changes in accordance with amendments to accounting standards, etc.: None
 - 2) Changes other than noted in 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Common stock issued
 - 1) Issued shares as of period-end (including treasury stock)

June 30, 2025	70,751,855 shares
March 31, 2025	70,751,855 shares

- 2) Treasury stock as of period-end

June 30, 2025	7,693,500 shares
March 31, 2025	3,289,559 shares

- 3) Average number of shares (during the respective period)

Three months ended June 30, 2025	65,365,265 shares
Three months ended June 30, 2024	67,544,751 shares

***Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None**

*Appropriate Use of Earnings Forecasts and Other Important Information

(Earnings Forecasts)

MEGMILK SNOW BRAND Co., Ltd. (the "Company") has decided at the meeting of Board of Directors held on May 14, 2025 to repurchase its own shares in accordance with Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of said Act. Consequently, the Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2026 includes the "Earnings Per Share (EPS)" factor, taking into account the impact of this share repurchase. Business forecasts contained in this report are based on the assumptions of management in the light of information available as of the release of this report. MEGMILK SNOW BRAND makes no assurances as to the actual results, which may differ from forecasts due to various factors such as changes in the business environment.

(Supplementary materials and presentation handouts)

Supplementary materials are attached to this report.

Table of Contents for Attachments

1. Operating Results	2
(1) Overview of Operating Results.....	2
(2) Analysis of Financial Condition.....	4
(3) Explanation of Forward-Looking Statements, including the Forecast of Consolidated Results.....	4
2. Quarterly Consolidated Financial Statements and Key Notes	5
(1) Quarterly Consolidated Balance Sheets	5
(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	7
Quarterly Consolidated Statements of Income.....	7
Quarterly Consolidated Statements of Comprehensive Income.....	8
(3) Quarterly Consolidated Statements of Cash Flows	9
(4) Notes to the Quarterly Consolidated Financial Statements	10
(Notes on the Assumption of a Going Concern)	10
(Notes Concerning Significant Changes in Shareholders' Equity (if any)).....	10
(Segment and Other Information)	11
(Revenue Recognition)	12

(Supplementary Information)

Supplementary Information for the Three Months Ended June 30, 2025

1. Operating Results

Forward-looking statements included in the following text are based on the judgments of the Group's management as of June 30, 2025.

(1) Overview of Operating Results

During the first three months of the fiscal year ending March 31, 2026, the Japanese economy was on a moderate recovery trend due to improvements in the employment environment and rising income, as well as the effects of various support measures by the government. With regard to the outlook, private consumption has continued to recover, supported by improvements in the employment and income environments, although consumer sentiment has been somewhat weaker. On the other hand, the impact of a continued rise in prices on personal consumption through a downturn in consumer sentiment, and that of U.S. trade policies, etc., may put downward pressure on the Japanese economy. It is also necessary to pay closer attention to the effects of fluctuations in the financial and capital markets, etc.

In these circumstances, the MEGMILK SNOW BRAND Group has formulated "Next Design 2030" as a new management plan. Under the theme of "Drastically transforming Megmilk Snow Brand's assets," "Next Design 2030" sets out the four pillars of our business strategy: "Cultivating and harvesting the fruits of growth," "Transforming the structure to increase the value of the dairy industry," "Developing regenerative dairy farming," and "The evolution of our connections with society." In FY2025, the first year of the plan, we set our management policy as "Brand-NEW" and promoted various measures based on two priority initiatives: strengthening of brand power (Brand-NEW "BRAND") through activities to disseminate brand-new CI and transform into a new management foundation to reform our business portfolio (Brand-NEW "BASIS").

As a result, consolidated operating results in the three months ended June 30, 2025 were as follows.

Consolidated net sales were ¥152,395 million (down 0.0% YoY) due to a decline in sales of Beverages & Desserts segment and other factors, despite an increase in sales of Dairy Products segment. Operating profit was ¥3,476 million (down 39.7% YoY), affected by increased costs due to the implementation of various brand promotion measures and the 100th anniversary commemorative events, the disappearance of temporary volume increase owing to system failures at another company that occurred in the previous fiscal year, and a larger decrease in volume than expected in the categories in which the Company took the lead in implementing price revisions, despite the positive impact from price revisions in response to increases in various costs. Ordinary profit was ¥4,300 million (down 32.4% YoY), and profit attributable to owners of parent was ¥8,976 million (up 70.2% YoY) mainly due to the recording of gain on sale of strategic shareholdings.

Operating results by business segment for the three months ended June 30, 2025 were as follows.

Net sales by segment are sales to outside customers.

1) Dairy Products

This segment comprises the manufacture and sale of dairy products (cheese, butter, powdered milk, etc.), margarine, functional food products and powdered milk

Net sales were ¥63,973 million (up 2.9% YoY), and operating profit was ¥1,740 million (down 26.9% YoY).

(Net sales)

Sales of butter were higher than the previous year as we successfully maintained sales volume thanks to solid demand, in addition to having implemented price revisions this spring.

Sales of margarine were higher than the previous year due to favorable performance of butter products and others.

Sales of cheese decreased with sales volume coming in lower than the previous year, due to the impact of price revisions this spring and other factors, despite activities to increase exposure at stores, including the launch of 100th anniversary commemorative products such as "the revival edition of Natsukashii Atsumi no 6P Cheese".

(Operating profit)

Despite the implementation of price revisions in response to increased costs and various sales promotions, profits declined year on year due to an increase in fixed costs and other factors.

2) Beverages & Desserts

This segment comprises the manufacture and sale of beverages (milk, fruit juice, etc.), yogurt, desserts.

Net sales were ¥65,515 million (down 2.1% YoY), and operating profit was ¥644 million (down 73.7% YoY).

(Net sales)

With regard to beverages, sales of the “MBP Drink” series, a food with functional claims, “Sukkiri Ca Tetsu” in large cartons, “DoleLL 200ml” in small cartons, and others were lower than the previous year due in part to the impact of price revisions this spring. “Nokyo Yasai Days 1000ml” was discontinued in March 2025. As a result, sales of beverage products as a whole declined from the previous year.

Regarding yogurt, in addition to household-use products such as “Makiba no Asa Yogurt” “Prune One-Day Fe Drink Yogurt” and others performing well, sales of the “Megumi Lactobacillus gasseri SBT2055” yogurt series were higher than the previous year due to promotional activities including TV commercials. As a result, overall yogurt sales increased year on year.

As for desserts, sales of the main product “CREAM &” series and “Asia Sabo” series underperformed those of the previous fiscal year due to the impact of price revisions this spring and other factors. As a result, overall dessert sales decreased year on year.

(Operating profit)

Despite the implementation of price revisions in response to increased costs and various sales promotions, profits declined year on year due to the disappearance of volume increase owing to system failures at another company that occurred in the previous fiscal year, an increase in fixed costs and other factors.

3) Feedstuffs & Seed

This segment comprises the manufacture and sale of cattle feed, pasture forage/crop and vegetable seeds, and landscaping business. Net sales were ¥13,208 million (down 1.2% YoY), and operating profit was ¥598 million (up 53.5% YoY).

(Net sales)

Overall segment sales decreased year on year, mainly due to a revenue decline caused by lower compound feed sales volume.

(Operating profit)

Although sales decreased, profits increased due to an increase in gross profit resulting from cost reductions.

4) Other

This segment comprises joint distribution center services, real estate rental, and other businesses.

Net sales were ¥9,698 million (down 2.3% YoY), and operating profit was ¥456 million (down 10.7% YoY).

(2) Analysis of Financial Condition

1) Assets, liabilities, and net assets

(Millions of yen)

Category	End of March 2025	End of June 2025	Change	Primary reason for change
Assets	431,073	418,960	(12,112)	Cash and deposits (12,258) Investment securities (6,634) Notes and accounts receivable-trade, and contract assets +2,710 Merchandise and finished goods +2,401
Liabilities	183,035	185,810	2,774	Short-term loans payable +3,968 Deferred tax liabilities (1,713) Income taxes payable +1,397
Net Assets	248,037	233,150	(14,886)	Treasury stock (12,415) Valuation difference on available-for-sale securities (4,321) Retained earnings +2,208

2) Cash flows

(Millions of yen)

Category	Three months ended June 30, 2024	Three months ended June 30, 2025	Change	Primary reason for change
Cash flows from operating activities	(3,097)	951	4,049	Income taxes paid+6,051 trade payables(2,436)
Cash flows from investing activities	(3,990)	2,455	6,446	Proceeds from sale of investment securities+8,830 Proceeds from sale of property, plant and equipment and intangible assets(3,083)
Cash flows from financing activities	(5,695)	(15,445)	(9,750)	loans payable+3,886 Purchase of treasury stock(12,436)
Cash and cash equivalents at end of period	16,266	9,060	(7,206)	—

(3) Explanation of Forward-Looking Statements, including the Forecast of Consolidated Results

There are no revisions to the forecast of consolidated results disclosed in the Summary of Financial Results on May 14, 2025.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	21,374	9,115
Notes and accounts receivable-trade, and contract assets	81,464	84,175
Merchandise and finished goods	43,827	46,229
Work in process	1,168	1,261
Raw materials and supplies	19,696	21,236
Other	6,533	6,039
Allowance for doubtful accounts	(358)	(343)
Total current assets	173,706	167,714
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	60,307	59,848
Machinery, equipment and vehicles, net	52,923	52,046
Land	47,227	47,209
Other, net	15,373	17,222
Total property, plant and equipment	175,831	176,327
Intangible assets		
Goodwill	328	285
Other	6,479	6,700
Total intangible assets	6,807	6,986
Investments and other assets		
Investment securities	56,370	49,735
Deferred tax assets	2,843	2,718
Other	15,677	15,640
Allowance for doubtful accounts	(164)	(161)
Total investments and other assets	74,726	67,932
Total non-current assets	257,366	251,246
Total assets	431,073	418,960

	(Millions of yen)	
	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	60,222	60,863
Electronically recorded obligations-operating	4,621	4,838
Short-term loans payable	16,944	20,913
Income taxes payable	1,780	3,178
Provision for bonuses	5,583	3,025
Other	30,109	31,295
Total current liabilities	119,263	124,114
Non-current liabilities		
Bonds payable	15,030	15,025
Long-term loans payable	19,650	19,450
Deferred tax liabilities	8,314	6,601
Deferred tax liabilities for land revaluation	3,938	3,938
Provision for directors' retirement benefits	6	1
Net defined benefit liabilities	7,138	6,988
Asset retirement obligations	1,287	1,294
Other	8,406	8,394
Total non-current liabilities	63,772	61,695
Total liabilities	183,035	185,810
Net assets		
Shareholders' equity		
Capital stock	20,000	20,000
Capital surplus	17,029	17,029
Retained earnings	175,746	177,955
Treasury stock	(5,553)	(17,969)
Total shareholders' equity	207,222	197,015
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,415	19,094
Deferred gains or losses on hedges	22	22
Revaluation reserve for land	8,448	8,448
Foreign currency translation adjustment	1,180	911
Remeasurements of defined benefit plans	4,391	4,295
Total accumulated other comprehensive income	37,458	32,772
Non-controlling interests	3,356	3,362
Total net assets	248,037	233,150
Total liabilities and net assets	431,073	418,960

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	152,438	152,395
Cost of sales	125,886	126,783
Gross profit	26,552	25,611
Selling, general and administrative expenses	20,783	22,135
Operating profit	5,768	3,476
Non-operating income		
Interest income	5	13
Dividend income	355	469
Equity in earnings of affiliates	145	437
Other	270	189
Total non-operating income	776	1,110
Non-operating expenses		
Interest expenses	68	88
Other	116	197
Total non-operating expenses	185	286
Ordinary profit	6,359	4,300
Extraordinary income		
Gain on sale of non-current assets	1,207	2
National subsidies	58	57
Gain on sale of investment securities	67	8,490
Total extraordinary income	1,333	8,550
Extraordinary loss		
Loss on sale of non-current assets	0	1
Loss on retirement of non-current assets	134	215
Impairment loss	75	28
Other	65	80
Total extraordinary loss	276	326
Profit before income taxes	7,416	12,524
income taxes	2,132	3,523
Profit	5,284	9,001
Profit attributable to non-controlling interests	12	25
Profit attributable to owners of parent	5,272	8,976

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	5,284	9,001
Other comprehensive income		
Valuation difference on available-for-sale securities	3,378	(4,315)
Deferred gains or losses on hedges	23	0
Foreign currency translation adjustment	108	(266)
Remeasurements of defined benefit plans	(21)	(81)
Share of other comprehensive income of entities accounted for using the equity method	14	(39)
Total other comprehensive income	3,503	(4,702)
Comprehensive income	8,788	4,299
Comprehensive income attributable to owners of parent	8,764	4,290
Comprehensive income attributable to non-controlling interests	23	9

(3) Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	7,416	12,524
Depreciation and amortization	4,361	4,283
Impairment loss	75	28
Equity in (earnings) losses of affiliates	(145)	(437)
Amortization of goodwill	29	29
Increase (decrease) in allowance for doubtful accounts	3	(17)
Increase (decrease) in provision for bonuses	(2,902)	(2,556)
Decrease (increase) in nets defined benefit asset	(69)	(146)
Increase (decrease) in nets defined benefit liability	131	(191)
Loss (gain) on sale and retirement of non-current assets	(1,071)	214
Loss (gain) on sale of investment securities	(67)	(8,489)
Interest and dividend income received	(360)	(483)
Interest expenses	68	88
Decrease (increase) in accounts receivable-other	225	369
Decrease (increase) in trade receivables	(2,923)	(2,814)
Decrease (increase) in inventories	(3,927)	(4,114)
Increase (decrease) in trade payables	3,353	917
Other	239	3,146
Sub total	4,436	2,350
Interest and dividend income	418	521
Interest expenses paid	(90)	(109)
Income taxes paid	(7,861)	(1,810)
Net cash provided by (used in) operating activities	(3,097)	951
Cash flows from investing activities		
Payments of loans receivable	(3)	(1)
Collection of loans receivable	14	1
Purchase of property, plant and equipment and intangible assets	(5,888)	(6,400)
Proceeds from sale of property, plant and equipment and intangible assets	3,085	2
Purchase of investment securities	(86)	(4)
Proceeds from sale of investment securities	133	8,963
Payments of leasehold and guarantee deposits	(1,280)	(6)
Other	34	(98)
Net cash provided by (used in) investing activities	(3,990)	2,455
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	173	4,060
Repayment of long-term loans payable	(221)	(267)
Redemption of bonds	—	(4)
Purchase of treasury stock	(1)	(12,437)
Cash dividends paid	(5,317)	(6,659)
Cash dividends paid to non-controlling interests	(2)	(2)
Other	(325)	(133)
Net cash provided by (used in) financing activities	(5,695)	(15,445)
Effect of exchange rate on cash and cash equivalents	61	(220)
Net increase (decrease) in cash and cash equivalents	(12,721)	(12,259)
Cash and cash equivalents at beginning of period	28,988	21,319
Cash and cash equivalents at end of period	16,266	9,060

(4) Notes to the Quarterly Consolidated Financial Statements

(Notes on the Assumption of a Going Concern)

Not applicable.

(Notes Concerning Significant Changes in Shareholders' Equity (if any))

The Company repurchased 4,412,200 shares of its common stock based on a resolution at its Board of Directors held on May 14, 2025. As a result of the above and others, treasury stock increased by 12,415 million yen during the first quarter of the current fiscal year, to 17,969 million yen at the end of the first quarter of the current fiscal year.

(Segment and Other Information)

I Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)

1. Net sales and income/loss by reportable segment and breakdown of revenue

(Millions of yen)

	Reportable segment (note 1)				Other (note 2)	Total	Adjustments (note 3)	Amount recorded on consolidated statements of income (note 4)
	Dairy Products	Beverages and Desserts	Feedstuffs and Seed	Total				
Net sales								
Revenue from contracts with customers	62,196	66,945	13,374	142,515	9,834	152,350	—	152,350
Other revenue	—	—	—	—	88	88	—	88
Sales to outside customers	62,196	66,945	13,374	142,515	9,923	152,438	—	152,438
Inter-segment sales and transfers	3,738	25	293	4,057	3,284	7,342	(7,342)	—
Total	65,934	66,970	13,667	146,573	13,208	159,781	(7,342)	152,438
Segment profit	2,379	2,454	389	5,224	511	5,736	32	5,768

Notes: 1. Net sales for reportable segments are mainly revenue from sales of merchandise and finished goods.

2. "Other" comprises businesses, such as joint distribution center services and real estate rental that are not included in reportable segments. Net sales of "Other" are mainly revenue from distribution services.

3. The 32 million yen adjustment for segment profit is for elimination of intersegment transactions.

4. Segment profit adjustments are based on operating profit reported on the quarterly consolidated statements of income for the corresponding period.

2. Impairment loss on non-current assets or goodwill by reportable segment

(Significant change in amount of goodwill)

Not applicable.

II Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)

1. Net sales and income/loss by reportable segment and breakdown of revenue

(Millions of yen)

	Reportable segment (note 1)				Other (note 2)	Total	Adjustments (note 3)	Amount recorded on consolidated statements of income (note 4)
	Dairy Products	Beverages and Desserts	Feedstuffs and Seed	Total				
Net sales								
Revenue from contracts with customers	63,973	65,515	13,208	142,696	9,611	152,307	—	152,307
Other revenue	—	—	—	—	87	87	—	87
Sales to outside customers	63,973	65,515	13,208	142,696	9,698	152,395	—	152,395
Inter-segment sales and transfers	3,840	19	283	4,142	3,325	7,468	(7,468)	—
Total	67,813	65,534	13,491	146,839	13,024	159,863	(7,468)	152,395
Segment profit	1,740	644	598	2,983	456	3,440	36	3,476

Notes: 1. Net sales for reportable segments are mainly revenue from sales of merchandise and finished goods.

2. "Other" comprises businesses, such as joint distribution center services and real estate rental that are not included in reportable segments. Net sales of "Other" are mainly revenue from distribution services.

3. The 36 million yen adjustment for segment profit is for elimination of intersegment transactions.

4. Segment profit adjustments are based on operating profit reported on the quarterly consolidated statements of income for the corresponding period.

2. Impairment loss on non-current assets or goodwill by reportable segment

(Significant change in amount of goodwill)

Not applicable.

(Revenue Recognition)

The breakdown of revenue from contracts with customers is presented in "(4) Notes to the Quarterly Consolidated Financial Statements (Segment and Other Information)".